

# STATE OF WISCONSIN

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
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ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8953  
Phone: (608) 266-2540

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: November 2, 2021

Re: DOA/DNR Report to JFC

Attached is a report relating to the implementation of the Clean Water Fund and Safe Drinking Water Loan Program from the Department of Natural Resources and the Department of Administration, pursuant to s. 281.59(3)(j), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

HM:MB:jm



Joel Brennan, Secretary



Preston D. Cole, Secretary

October 29, 2021

The Honorable Howard Marklein  
Co-Chair Joint Committee on Finance  
Room 316 East  
State Capitol

NOV 02 2021  
*St. Finance*

SUBJECT: Biennial Report on Operation of Clean Water Fund and Safe Drinking Water Loan Programs

Dear Senator Marklein:

Attached is a report relating to the implementation of the Clean Water Fund and Safe Drinking Water Loan Programs, as required under s. 281.59(3)(j), Wis. Stats. This statute requires the Department of Natural Resources and the Department of Administration to submit to the State Building Commission and the Joint Committees on Finance a report on the implementation of the Clean Water Fund Program and the Safe Drinking Water Loan Program at the end of each biennium.

If you have any questions regarding the Biennial Finance Plan, please contact Jim Ritchie at 215-6235 or David Erdman at 267-0374.

Sincerely,

Jim Ritchie, Director  
Bureau of Community Financial Assistance  
Department of Natural Resources

David Erdman  
Capital Finance Director  
Department of Administration

cc: Preston Cole – AD/8  
Joel Brennan – DOA



Joel Brennan, Secretary

Preston D. Cole, Secretary

October 29, 2021

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Co-Chair Joint Committee on Finance  
Room 308 East  
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Jim Ritchie, Director  
Bureau of Community Financial Assistance  
Department of Natural Resources

David Erdman  
Capital Finance Director  
Department of Administration

cc: Preston Cole – AD/8  
Joel Brennan – DOA

**2019-2021 BIENNIAL OPERATIONS REPORT  
STATE OF WISCONSIN  
ENVIRONMENTAL IMPROVEMENT FUND**

**NOVEMBER 1, 2021**

Prepared by:

Department of Natural Resources  
Bureau of Community Financial Assistance

Department of Administration  
Capital Finance Office

## 2019-2021 BIENNIAL OPERATIONS REPORT ENVIRONMENTAL IMPROVEMENT FUND

### **I. INTRODUCTION**

Section 281.59(3)(j), Wis. Stats., requires the Department of Natural Resources (WI DNR) and the Department of Administration (WI DOA) to submit an Environmental Improvement Fund (EIF) Biennial Report to the Legislature and to the State Building Commission. The report provides information on the operations and activities of the EIF for the previous biennium.

The EIF consists of three loan programs: the Clean Water Fund Program (CWFP), the Safe Drinking Water Loan Program (SDWLP), and the Land Recycling Loan Program (LRLP). Revenue bonds of the EIF are issued to fund activities for both the CWFP and the SDWLP.

WI DOA assesses EIF market interest rates every three months. During the 2019-2021 biennium, the market interest rate varied from 2.700% to 3.200% for loans with terms of 20 years or less. The EIF's base subsidized interest rate (not including further subsidies for disadvantaged municipalities) for eligible projects ranged from 1.485% to 1.760% for loans of 20 years or less. During the same time period, for loans with terms exceeding 20 years up to the current maximum repayment term of 30 years, the market interest rate varied from 2.900% to 3.400%. The base subsidized interest rate varied for loans exceeding 20 years varied from 1.595% to 1.870%.

### **II. CWFP ACTIVITIES/OPERATIONS DURING THE 2019-2021 BIENNium**

1. The CWFP awarded eighty financial assistance agreements and amendments during the 2019-2021 biennium. These awards provided \$587.2 million to local governmental units, consisting of \$30.4 million of principal forgiveness and \$556.8 million of loans. Appendix A lists recipients.
2. The CWFP interest rate subsidy is intended to incentivize local governmental units to initiate compliance maintenance programs and to protect and preserve the quality of Wisconsin's water resources. The CWFP had and continues a major goal of minimizing discharge permit violations and water quality degradation by Wisconsin municipalities.
3. The Clean Water Fund Small Loan Program, in partnership with the Board of Commissioners of Public Lands (BCPL), streamlines the loan process for projects with a cost of \$2 million or less. The Small Loan Program entered into four subsidy agreements during the biennium, which provided interest subsidy on loans from BCPL for eligible projects totaling \$3.3 million. Appendix A lists recipients.
4. Since program inception in 1991 through June 30, 2021, the CWFP has completed 1,203 financial assistance awards (including small loans) totaling nearly \$5.341 billion.

### **III. SDWLP ACTIVITIES/OPERATIONS DURING THE 2019-2021 BIENNium**

1. The SDWLP awarded forty-one financial assistance agreements and amendments during the 2019-2021 biennium for projects other than private lead service line replacements (see below). These awards provided \$148.2 million of financial assistance to local governmental units, consisting of \$8.4 million of principal forgiveness and \$139.8 million of loans. Appendix B lists recipients.

2. Pursuant to guidelines provided by the U.S. Environmental Protection Agency (EPA), the EIF made a new source of funding available by transferring funds from the CWFP to the SDWLP for funding the replacement of private lead service lines. **Using this new funding source, the SDWLP awarded seventeen financial assistance agreements during the 2019-2021 biennium to replace private lead service lines.** These awards provided \$12.4 million of financial assistance to local governmental units, which consisted entirely of principal forgiveness. Appendix B lists recipients.
3. Since program inception in 1998 through June 30, 2021, the SDWLP has completed 503 financial assistance awards for more than \$922.9 million.

#### **IV. LRLP ACTIVITIES/OPERATIONS DURING THE 2019-2021 BIENNIUM**

1. The LRLP loans did not award financial assistance during the 2019-2021 biennium. The LRLP has not awarded financial assistance since state fiscal year 2008. The remaining unallocated LRLP balance totals \$299,657. While Wis. Stats. continue to authorize use of these funds for financial assistance under the program, no future funding for this program is anticipated and no financial assistance has been calculated.
2. Since program inception in 2000 through June 30, 2021, the LRLP made ten financial assistance awards for \$15.2 million.

#### **Appendices**

- A- CWFP Financial Assistance Agreements 2019-2021 Biennium
- B- SDWLP Financial Assistance Agreements 2019-2021 Biennium

# Appendix A: CWFPA Financial Assistance Agreements during the 2019-2021 Biennium

Execution Date	Municipality	Project Number	Principal Forgiveness	Loan	Total Assistance
07/24/2019	Village of Brooklyn	4662-06	\$ 646,073	\$ 1,092,192	\$ 1,738,265
07/24/2019	Village of Salem Lakes	5596-01	-	18,571,073	18,571,073
08/28/2019	Consolidated Koshkonong Sanitary Commission	4972-03	571,622	8,435,533	9,007,155
08/28/2019	City of South Milwaukee	4468-06	597,180	3,384,020	3,981,200
09/11/2019	Green Bay Metropolitan Sewerage District	4198-53	-	14,630,180	14,630,180
09/25/2019	Madison Metropolitan Sewerage District	4010-52	-	1,846,530	1,846,530
10/09/2019	Milwaukee Metro Sewer District	3236-01	-	11,032,218	11,032,218
10/23/2019	City of Galesville	4038-07	838,095	1,915,868	2,753,963
10/23/2019	City of Rhinelander	4132-12	750,000	514,603	1,264,603
10/23/2019	City of Sheboygan	4019-19	750,000	2,323,791	3,073,791
10/23/2019	Village of Theresa	4633-02	1,233,228	1,321,622	2,554,850
11/13/2019	Milwaukee Metro Sewer District	3253-01	-	6,214,897	6,214,897
11/13/2019	Milwaukee Metro Sewer District	3251-01	-	7,397,308	7,397,308
11/27/2019	City of Two Rivers	4107-44	750,000	2,023,887	2,773,887
12/11/2019	City of Omro	5032-04	141,570	802,229	943,799
12/23/2019	City of Augusta	4545-07	632,667	773,258	1,405,925
12/23/2019	City of Whitehall	5141-09	315,316	735,737	1,051,053
01/22/2020	Town of Beloit	4228-06	557,886	3,161,353	3,719,239
01/22/2020	City of Clintonville	4524-03	356,734	436,008	792,742
02/12/2020	Village of East Troy	4278-03	170,067	998,777	1,168,844
02/12/2020	City of Glenwood City	5502-01	1,020,857	783,932	1,804,789
02/26/2020	Village of Hawkins	4573-04	510,919	340,612	851,531
02/26/2020	City of Milwaukee - Comptroller's Office	4428-26	750,000	18,861,019	19,611,019
02/26/2020	Village of Oostburg	4455-05	760,967	5,612,988	6,373,955
02/26/2020	Village of Roberts	4541-06	1,712,585	4,055,280	5,767,865
02/26/2020	City of Superior	4186-23	750,000	3,217,370	3,967,370
03/11/2020	Village of Mishicot	4015-08	117,041	273,095	390,136
03/25/2020	City of Bloomer	4317-03	1,627,716	1,464,670	3,092,386
04/08/2020	Milwaukee Metro Sewer District	3260-01	-	3,208,595	3,208,595
04/08/2020	Milwaukee Metro Sewer District	3257-01	-	2,537,819	2,537,819
04/22/2020	Village of Arlington	4519-03	155,864	883,227	1,039,091
04/22/2020	Ashippun Sanitary District	5104-04	233,989	172,946	406,935
04/22/2020	Dale Sanitary District #1	5591-01	343,286	748,751	1,092,037
05/13/2020	Village of Grafton	4454-17	-	10,008,544	10,008,544
05/13/2020	Village of Rosendale	4150-03	995,850	3,608,150	4,604,000
05/27/2020	Village of Melrose	4039-05	749,133	435,622	1,184,755
06/10/2020	Madison Metropolitan Sewerage District	4010-58	-	10,088,624	10,088,624
06/24/2020	City of Brookfield	4275-18	-	4,474,506	4,474,506
06/24/2020	City of Crandon	4654-08	145,681	97,120	242,801
06/24/2020	City of Wausau	4138-05	1,750,000	89,923,286	91,673,286
07/08/2020	Village of New Auburn	5218-05	106,947	249,543	356,490
08/12/2020	City of Hillsboro	4549-05	511,312	1,086,785	1,598,097
08/12/2020	Madison Metropolitan Sewerage District	4010-57	-	23,540,644	23,540,644
08/12/2020	City of Menomonie	4083-10	751,600	7,249,165	8,000,765
08/26/2020	City of Mauston	4413-09	343,774	802,137	1,145,911
08/26/2020	City of Waukesha	4062-07	-	10,409,006	10,409,006
08/26/2020	City of Waukesha	4062-05	-	55,549,871	55,549,871
09/09/2020	Village of Almena	4179-05	793,544	2,373,245	3,166,789

**Appendix A: CWFP Financial Assistance Agreements during the 2019-2021 Biennium**

Execution Date	Municipality	Project Number	Principal Forgiveness	Loan	Total Assistance
10/28/2020	City of Elroy	4369-12	\$ 252,487	\$ 108,208	\$ 360,695
10/28/2020	Village of Lomira	4349-05	1,036,386	5,621,623	6,658,009
10/28/2020	Village of Nelson	4069-02	134,607	166,448	301,055
10/28/2020	City of New Richmond	4077-10	-	3,476,230	3,476,230
11/10/2020	Milwaukee Metro Sewer District	3262-01	-	2,437,358	2,437,358
11/10/2020	Milwaukee Metro Sewer District	3261-01	-	2,840,059	2,840,059
11/25/2020	Village of Fontana	4159-08	-	584,256	584,256
11/25/2020	Village of Fontana	4159-09	-	1,141,550	1,141,550
11/25/2020	Village of Walworth	4719-06	39,722	225,090	264,812
11/25/2020	Village of Walworth	4719-07	-	516,591	516,591
01/27/2021	City of Hudson	4112-07	-	12,616,740	12,616,740
01/27/2021	City of Pewaukee	4531-06	-	1,619,516	1,619,516
01/27/2021	Village of West Salem	4547-05	-	7,029,332	7,029,332
02/10/2021	Village of Plain	5273-02	344,784	645,116	989,900
02/24/2021	Maple Grove Sanitary District	5327-01	175,745	995,885	1,171,630
02/24/2021	City of Milwaukee - Comptroller's Office	4428-27	750,000	23,696,582	24,446,582
02/24/2021	City of Thorp	4669-07	-	343,789	343,789
03/10/2021	City of Cornell	4666-02	750,000	3,909,765	4,659,765
03/10/2021	Village of Howards Grove	4326-07	-	2,766,518	2,766,518
03/24/2021	Village of Palmyra	5033-04	893,115	3,140,791	4,033,906
03/24/2021	City of Sun Prairie	4236-05	-	17,382,165	17,382,165
04/14/2021	City of Beaver Dam	4377-06	234,933	1,038,899	1,273,832
04/14/2021	Village of Somers	5600-01	-	5,058,142	5,058,142
05/26/2021	City of Alma	5103-02	536,759	357,838	894,597
06/09/2021	City of Antigo	4075-05	750,000	500,000	1,250,000
06/09/2021	Village of Mount Pleasant	4403-04	-	80,276,100	80,276,100
06/09/2021	Village of North Freedom	4156-05	234,239	113,061	347,300
06/23/2021	City of Amery	4338-05	-	1,071,804	1,071,804
06/23/2021	Village of Bruce	5597-01	-	629,415	629,415
06/23/2021	Holland Sanitary District #1	4532-08	508,928	10,528,198	11,037,126
06/23/2021	Little Suamico Sanitary District #1	4486-07	1,296,653	1,681,031	2,977,684
06/23/2021	Madison Metropolitan Sewerage District	4010-61	-	14,610,172	14,610,172
			<u>\$ 30,379,861</u>	<u>\$ 556,795,908</u>	<u>\$ 587,175,769</u>

**CWFP Small Loan Program Activity 2019-2021 Biennium**

Execution Date	Municipality	Project Number	Amount Eligible for Subsidy
02/24/2020	City of Kewaunee	4462-05	\$ 251,242
03/27/2020	Christmas Mountain Sanitary District	4956-09	895,196
07/28/2020	Village of Fredonia	4104-10	1,549,064
12/16/2020	Roxbury Sanitary District # 1	4418-03	606,404
			<u>\$ 3,301,906</u>



## Appendix B: SDWLP Financial Assistance Agreements during the 2019-2021 Biennium

### SDWLP Financial Assistance in 2019-2021 Biennium for Projects Other than Private Lead Service Lines

Execution Date	Municipality	Project Number	Principal Forgiveness	Loan	Total Assistance
12/11/2019	City of Barron	5473-03	\$ 453,573	\$ 1,058,336	\$ 1,511,909
12/11/2019	Village of Bear Creek	5356-01	367,198	448,796	815,994
12/11/2019	City of Edgerton	4800-04	-	234,605	234,605
12/11/2019	City of Omro	5091-06	-	1,118,538	1,118,538
12/11/2019	City of Waukesha	7000-05	-	2,903,659	2,903,659
12/23/2019	City of Augusta	5186-04	500,000	1,576,859	2,076,859
01/22/2020	City of Clintonville	5282-06	344,806	421,428	766,234
01/22/2020	Village of Ridgeway	5206-04	266,938	622,856	889,794
03/11/2020	Village of Mishicot	5586-01	-	446,648	446,648
04/22/2020	Village of Arlington	4758-03	-	923,860	923,860
04/22/2020	City of Mineral Point	5446-04	-	827,631	827,631
05/27/2020	City of Eau Claire	5449-02	-	11,174,785	11,174,785
05/27/2020	City of Milwaukee - Comptroller's Office	4851-36	-	28,562,461	28,562,461
06/10/2020	Village of New Auburn	5202-07	181,617	423,773	605,390
06/10/2020	Village of Woodville	5490-02	273,393	334,147	607,540
06/24/2020	City of Crandon	5397-06	206,906	252,883	459,789
06/24/2020	Village of Gresham	5313-03	362,307	241,538	603,845
06/24/2020	Shelby Sanitary District #2	4902-03	500,000	1,228,688	1,728,688
06/24/2020	Village of Stoddard	4916-02	-	837,054	837,054
06/24/2020	City of Wausau	4930-09	500,000	44,756,287	45,256,287
02/24/2021	Village of Alma Center	5330-04	-	217,003	217,003
02/24/2021	City of Thorp	4922-13	-	561,415	561,415
04/14/2021	Village of Somers	5610-01	-	4,456,404	4,456,404
04/28/2021	Village of Lone Rock	5465-04	277,764	185,175	462,939
05/26/2021	Village of Cassville	5469-05	263,162	321,641	584,803
05/26/2021	Iron River Sanitary District #1	4988-02	216,505	264,616	481,121
05/26/2021	City of Milwaukee - Comptroller's Office	4851-37	-	27,323,813	27,323,813
05/26/2021	Village of Muscoda	5159-01	333,648	222,432	556,080
05/26/2021	Village of Reeseville	4891-04	-	318,651	318,651
05/26/2021	Shelby Sanitary District #2	4902-05	-	714,964	714,964
06/23/2021	City of Amery	5582-02	-	1,066,194	1,066,194
06/23/2021	City of Barron	5473-03	21,514	50,200	71,714
06/23/2021	Village of Bruce	5545-02	500,000	356,312	856,312
06/23/2021	Village of Cambria	4777-04	394,900	921,433	1,316,333
06/23/2021	Village of Grantsburg	5377-07	500,000	425,886	925,886
06/23/2021	City of Ladysmith	5369-13	393,161	480,529	873,690
06/23/2021	Village of Maiden Rock	5606-02	120,216	280,503	400,719
06/23/2021	City of Menasha	4845-16	-	997,383	997,383
06/23/2021	City of Nekoosa	4858-16	500,000	818,380	1,318,380
06/23/2021	City of Two Rivers	4920-37	405,891	947,076	1,352,967
06/23/2021	Village of Wausaukee	5512-02	500,000	461,412	961,412
			\$ 8,383,499	\$ 139,786,254	\$ 148,169,753

## Appendix B: SDWLP Financial Assistance Agreements during the 2019-2021 Biennium

### SDWLP Financial Assistance in 2019-2021 Biennium for Private Lead Service Lines

Execution Date	Municipality	Project Number	Principal Forgiveness	Loan	Total Assistance
04/14/2021	City of Green Bay	5331-29	\$ 1,411,635	\$ -	\$ 1,411,635
04/28/2021	City of Baraboo	4762-03	99,000	-	99,000
04/28/2021	Village of Bonduel	5057-02	45,000	-	45,000
04/28/2021	City of Kenosha	4825-05	1,950,000	-	1,950,000
04/28/2021	City of Manitowoc	5191-14	1,568,445	-	1,568,445
04/28/2021	City of Mayville	5443-06	960,000	-	960,000
04/28/2021	City of Shawano	5124-05	1,250,950	-	1,250,950
05/12/2021	City of Janesville	5119-06	1,950,000	-	1,950,000
05/26/2021	City of Mosinee	5536-04	125,000	-	125,000
05/26/2021	City of Sun Prairie	5576-03	562,500	-	562,500
05/26/2021	City of Waupaca	4929-06	160,090	-	160,090
06/09/2021	City of Eau Claire	5449-06	847,600	-	847,600
06/23/2021	City of Antigo	4754-08	455,000	-	455,000
06/23/2021	City of Columbus	5188-03	145,000	-	145,000
06/23/2021	City of Lake Mills	4828-05	280,000	-	280,000
06/23/2021	City of Menasha	4845-17	408,000	-	408,000
06/23/2021	City of Wisconsin Rapids	5510-04	153,000	-	153,000
			<u>\$ 12,371,220</u>	<u>\$ -</u>	<u>\$ 12,371,220</u>